

Corrected Forms
At 1/31/84

CONSENT TO ASSIGNMENT
AND
APPROVAL OF GENERAL SUBLEASE FORMS

RECITALS

A. The STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereafter referred to as "Lessor") and PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereinafter referred to as "Lessee") have previously entered into Harbor Area Leases more particularly described in Exhibit A-1 attached hereto, (hereinafter collectively referred to as the "Lease").

B. The Lessee has proposed to assign the Lease to PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION (hereinafter referred to as "Assignee") by execution of an Assignment, a copy of which is attached hereto as Exhibit A, and seeks the consent of the Lessor to such assignment.

C. Assignee has proposed to establish a leasehold boat moorage condominium by recording a Condominium Declaration pursuant to the Washington Horizontal Property Regimes Act (RCW Chapter 64.32).

D. Assignee will thereafter convey condominium leasehold estates (in the nature of subleases) in specific boat Moorage Slips to individuals (hereinafter referred to as "Moorage Slip Owners") pursuant to a "Moorage Slip Sublease" in form attached hereto as Exhibit B-1, and seeks the Lessor's approval of such form and conveyance.

E. Certain Moorage Slip Owners may thereafter seek to fully convey their leasehold interest in said Moorage Slip pursuant to an "Assignment of Moorage Slip Sublease" in form attached hereto as Exhibit B-2, and Assignee seeks Lessor's approval of such form and conveyance.

F. Certain Moorage Slip Owners may seek to grant security interests in their condominium Moorage Slips by the "Deed of Trust and Security Agreement" form attached hereto as Exhibit C, and Assignee seeks Lessor's approval of such form for granting such a security interest.

NOW THEREFORE, it is agreed as follows:

1. Consent to Lease Assignment.

The Lessor hereby consents to the assignment of the Lease between the Lessee and the Assignee as shown on the attached "Assignment" upon the following terms and conditions:

a. That Assignee is bound and obligated to perform all conditions and covenants of the Lease.

b. That approval of the assignment is not a discharge of the Lessee (Assignor) or his surety from any or all liabilities, obligations or duties incurred under the Lease prior to the date of consent of the assignment.

c. That Lessee (Assignor) shall remain as a surety for liabilities, obligations or duties of the Assignee of the Lease.

d. That this Agreement shall not constitute a waiver of the requirement that all future assignments of the Lease be approved by the Lessor.

2. Approval of Moorage Slip Forms

The Lessor hereby approves of the use of the forms "Moorage Slip Sublease," "Assignment of Moorage Slip Sublease" and "Deed of Trust and Security Agreement" for future conveyances of a condominium leasehold estate in Moorage Slips and granting of security interests by Moorage Slip Owners on the following conditions:

a. Such Moorage Slip Sublease shall, as between the Lessor and Lessee, Assignee and Moorage Slip Owners constitute a sublease from the Assignee only and such Moorage Slip Owners shall not be considered direct lessees of the State of Washington Department of Natural Resources under the Lease.

b. All Moorage Slip Subleases, Assignment of Moorage Slip Subleases and Deeds of Trust and Security Agreements shall be subject to all terms of the Lease and the terms of this Consent.

c. The Lessor hereby approves all future Moorage Slip Subleases, Assignment of Moorage Slip Subleases and Deeds of Trust and Security Agreements made utilizing the forms attached as Exhibits B-1, B-2 and C approved herein. In the future, variations of these forms may be used without Lessor approval so long as variations from Exhibits B-1, B-2 and C do not affect any of the provisions of the aforementioned Harbor Area Leases or this consent.

3. Conditions of Approval

Such approvals for this present assignment of the Leases and use of the Moorage Slip Subleases, Assignment of Moorage Slip Sublease and Deed of Trust and Security Agreement forms for subleases shall be subject to the following conditions:

a. That the terms of the Lease are not modified by the: execution or approval of the Assignment of Leases; the approval of the Moorage Slip Subleases, Assignment of Moorage Slip Sublease or Deed of Trust and Security Agreement forms; or execution of other documents including the Declaration of Condominium, Association Articles of Incorporation, Association Bylaws or any other documents heretofore executed.

b. That any terms of the Assignment of the Lease that are inconsistent with this Consent are hereby modified to be consistent.

c. That consent to this Assignment of Lease and approval of Moorage Slip Sublease, Assignment of Moorage Slip Sublease and Deed of Trust and Security Agreement forms shall not be deemed to waive any rights or remedies of the Lessor by reason of any failure to perform the terms of the Lease or to change any terms or conditions of the Lease.

d. That Lessee and Assignee shall hold the State of Washington and the Department of Natural Resources harmless from any claims or damage which might result from the fact of granting of this consent.

e. An understanding between all parties, including future Moorage Slip Owners, that so long as the Lease is in effect, the State of Washington and Department of Natural Resources has no ownership interest in any of the authorized improvements now or hereafter located upon or above the property subject to the subject Lease, or the adjoining uplands.

f. That the Condominium Declaration to be filed for this project shall require the Assignee to establish a special account into which it shall deposit and maintain that portion of each assessment which shall be used to make payments under the Lease to the Department of Natural Resources. Said Declaration shall also require Assignee to maintain such bonds for the payment of amounts due under the Lease as the Lessor may require.

4. Building Apartments

In addition to boat Moorage Slips, the subject Condominium will also contain two (2) or more Building Apartments (that is, leasehold Condominium Apartments located within a Building structure). It is understood and agreed that all of the provisions of this document are equally applicable to Building Apartments to the same extent as if the words "Building Apartment(s)" had been used in lieu of "Moorage Slip(s)".

CONSENT GIVEN this 14th day of December, 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

This supersedes the
Consent to Assignment
and Approval of General
Sublease Forms executed
on September 23, 1983.

By J. R. Stearns
for Brian J. Boyle
Commissioner of Public Lands

Approved as to form
12-13-83
Victoria W. Seaton

LESSEE:

ASSIGNEE:

PORT WASHINGTON PROPERTIES, INC.

PORT WASHINGTON MARINA CONDOMINIUM
OWNERS ASSOCIATION

By [Signature]
Its Prox.

By W. A. C. C.
Its Pres.

By: _____
Its _____

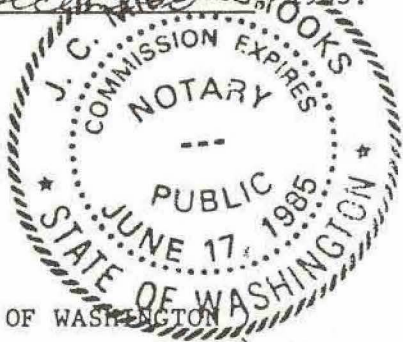
By _____

Its _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Mark L. Clevin
and to me known to be the President and
 of PORT WASHINGTON PROPERTIES, INC., the corpora-
tion described in the foregoing instrument, and acknowledged the said
instrument to be the free and voluntary act and deed of said corporation
for the uses and purposes therein mentioned, and on oath stated that
they were authorized to execute the said instrument on behalf of the
corporation.

GIVEN under my hand and official seal this 1st day of December 1983.



J. C. Middleton
Notary Public in and for the
State of Washington,
residing at *Seattle*.

STATE OF WASHINGTON) ss.
COUNTY OF KING)

On this day personally appeared before me Mark L. Cleven
and _____, to me known to be the President
and _____ of PORT WASHINGTON MARINA CONDOMINIUM OWNERS
ASSOCIATION, the non-profit corporation described in the foregoing
instrument, and acknowledged the said instrument to be the free and
voluntary act and deed of said corporation for the uses and purposes

therein mentioned, and on oath stated that they ^{were} authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this 1st day December, 1983.



J. C. Middleton
Notary Public in and for the
State of Washington,
residing at Seattle.

(CON/ASS/S/L:#14;11/1/83)

EXHIBIT "A-1"

Harbor Area Lease Descriptions
(Page 1)

PARCEL B:

that certain Harbor Area Lease No. 2332 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8306200099 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north $75^{\circ}43'57.8''$ west 112 feet, thence north $63^{\circ}38'00''$ west 148.126 feet, thence north $74^{\circ}55'00''$ west, 193 feet, thence north $16^{\circ}00'00''$ east across the harbor area 195 feet to a point on the outer harbor line, thence south $74^{\circ}00'00''$ east along said outer harbor line 450 feet to a point which bears north $16^{\circ}00'00''$ east from the point of beginning and then south $16^{\circ}00'00''$ west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

Parcel C:

that certain Harbor Area Lease No. 2396 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8306200098 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396.

EXHIBIT "A-1"

Harbor Area Lease Descriptions
(Page 2)

PARCEL D:

that certain Harbor Area Lease No. 2399 (and all amendments, renewals and extensions thereof) recorded under Kitsap County Auditor's File No. 8306200110 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the Harbor area lying in front of lot 6, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington, between the easterly line of waterway number 4 and the east line of lot 6 of said section 11, produced northerly across the harbor area to the outer harbor line. Also known as leasehold A-2399.

EXHIBIT A
ASSIGNMENT
OF
HARBOR AREA LEASES

THIS ASSIGNMENT is made and executed this 1st day of November, 1983, by and between PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereafter referred to as "Assignor") and PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, a Washington non-profit corporation, (hereafter referred to as "Assignee").

RECITALS

A. Assignor is the lessee pursuant to Harbor Area Leases (more particularly described in Exhibit A-1 attached hereto), (the "DNR Lease" collectively herein).

B. Assignee will act as Declarant of the PORT WASHINGTON MARINA CONDOMINIUM (hereafter referred to as "Condominium"), a leasehold condominium to be located in the leasehold estate created by the DNR Lease as shown on the Survey Map and Plans of said Condominium to be recorded in Kitsap County, Washington. Recording information concerning the Declaration for said Condominium and the Survey Map and Plans shall be added to Exhibit A-1 attached hereto upon recordation.

C. Assignee will be conveying leasehold interests in the individual Condominium Moorage Slips to numerous individuals (hereafter "Moorage Slip Owners") pursuant to "Moorage Slip Subleases".

D. The Department of Natural Resources (hereafter "DNR") is desirous of having a lease relationship with one Master Lessee rather than having multiple lease relationships with Moorage Slip Owners.

E. Assignee has been created as a non-profit corporation which serves as the Owners Association of the Condominium and has as its members all of the Moorage Slip Owners.

F. The parties desire by this Assignment to create an assignment under which the Assignee becomes a Master Lessee for all purposes relating to the DNR Lease.

G. In connection with the foregoing, DNR has on the date hereof executed a Consent to Assignment and Approval of General Sublease Forms ("Consent to Assignment").